HERITAGE ASSETS SUMMARY
ANNUAL STEWARDSHIP INFORMATION, SEPTEMBER 30, 2001
NUMBER OF PHYSICAL UNITS

Heritage Assets:	Units as of 09/30/00	Additions	Withdrawals	Units as of 09/30/01
Personal Property:				
Collections				
Artifacts	16,927	788	0	17,715
Display Models	431	42	0	473
Museum	425	25	0	450
Other Collections	94	4	0	98
Total Collections	17,877	859	00	18,736
Other Non-Collection Types				
Sunken Vessels	59	0	0	59
Sunken Aircraft	1	0	0	1
Total Non-Collection Types	60	0	0	60
Total Personal Property Heritage Assets	17,937	859	00	18,796

Heritage Assets:	Units as of 09/30/00	Additions	Withdrawals	Units as of 09/30/01
Real Property:				
Buildings and Structures	415	19	14	420
Memorials	3	0	1	2
Recreational Areas	3	0	1	2
Other Historical Areas	26	1	3	24
Total Real Property Heritage Assets	447	20	19	448

Artifacts are those of the U.S. Coast Guard and Maritime Administration. Maritime Administration artifacts are generally on loan to single purpose memorialization and remembrance groups, such as AMVets and preservation societies. Coast Guard artifacts can be divided into three general areas: ship's equipment, lighthouse and other aids-to-navigation items, and military uniforms. The addition of artifacts is the result of gifts to the Coast Guard.

Ship's equipment is generally acquired when the ship is decommissioned and includes small items such as sextants, ship's clocks, wall plaques, steering wheels, bells, binnacles, engine order telegraphs, and ship's name boards. Conditions vary, but much is worn out from decades of use.

Aids-to-navigation items include fog and buoy bells, lanterns, lamp changing apparatus, and lighthouse lenses. Buoy equipment tends to be worn out and is usually acquired only when new technology makes it obsolete. Classical lighthouse lenses vary greatly in condition. The condition is normally dependent on how long the item has been out of service and not maintained. Most of the good lenses go to local museums or Coast Guard bases as display items.

Military uniforms are generally donated by retired Coast Guard members, and include clothing as well as insignia and accoutrements. Most clothing is in fair to good condition, particularly full dress items which saw little daily wear.

Display Models are mostly of Coast Guard vessels and aircraft. These are often builders' models. In addition to being accurate and valuable, they are generally in very good condition. Builders' models are acquired by the Coast Guard as part of the contracts with the ship or aircraft builders.

Museum and Other Collections are owned by the Maritime Administration. They are merchant marine artifacts, composed of ships' operating equipment, obtained from obsolete ships. They are inoperative and in need of preservation and restoration. Museum items are on loan to organizations whose purpose is historic preservation, education, and remembrance, open to the public during regularly scheduled hours. Other collections are on loan to public and private entities, the display of which is incidental to maritime affairs, such as county and state buildings, port authorities, pilots associations, public and college libraries, and other organizations.

Non-Collection Type heritage assets are sunken vessels and aircraft owned by the Coast Guard under the property clause of the U.S. Constitution, Articles 95 and 96 of the International Law of the Sea Convention, and the sovereign immunity provisions of Admiralty law. Despite the passage of time or the physical condition of these assets, they remain Government-owned until the Congress of the United States formally declares them abandoned. The USCG desires to retain custody of these assets to safeguard the remains of crew members who were lost at sea, to prevent the unauthorized handling of explosives or ordnance which may be aboard, and to preserve culturally valuable relics of the USCG's long and rich tradition of service to our nation in harm's way.

Buildings and Structures include Union Station in Washington, D.C. Union Station is an elegant and unique turn-of-the-century rail station in which one finds a wide variety of elaborate, artistic workmanship characteristic of the period. Union Station is listed on the National Register of Historic Places. The station consists of the renovated original building and a parking garage which was added by the U.S. Park Service. The Federal Railroad Administration received title to Union Station through appropriated funds and assumption of a mortgage. Mortgage payments are made by Union Station Venture Limited which manages the property. Union Station Redevelopment Corporation, a non-profit group instrumental in the renovation of the station, sublets the operation of the station to Union Station Venture Limited.

As a matter of public law and policy, Coast Guard does not acquire or retain heritage buildings and structures without an operational use. Most real property, even if designated as historical, is acquired for Coast Guard operational use and is considered multi-use heritage property. When no longer required for operations, heritage assets are transferred as soon as possible to other government agencies or public entities. Heritage real property buildings and structures not considered multi-use are historical lighthouses, which are no longer in use and have not yet been disposed of, and a gravesite.

The 20 buildings and structures added were due primarily to the Coast Guard's reclassification of current assets from capital and non-capital buildings to multi-use heritage assets. The 19 buildings and structures withdrawn were due to Coast Guard's transfers to other entities, demolition of small sheds at the Coast Guard Yard, and reclassifications from multi-use heritage assets to capital and non-capital buildings and structures. Reclassifications had no effect on the balance sheet.

Financial information for multi-use heritage assets is presented in the principal statements and notes.

NATIONAL DEFENSE PROPERTY, PLANT, AND EQUIPMENT SUMMARY
SEPTEMBER 30, 2001
NUMBER OF PHYSICAL UNITS AND
ACQUISITION COSTS
(Dollars in Thousands)

National Defense Reserve Fleet Vessels	Units	Acquisition Costs	Capital Improvements	Total Improved Cost
Ready Reserve Fleet Vessels	76	$ 859,163	$ 591,078	$ 1,450,241
Retention Vessels	64	217,757	43,022	260,779
Scrap Ships	132	2,795,498	280,314	3,075,812
Total	272	$ 3,872,418	$ 914,414	$ 4,786,832

All DOT National Defense Property, Plant, and Equipment (PP&E) is in the Maritime Administration. The data continue to be refined. For FY 2001, MARAD was able to obtain the acquisition and capital improvement costs for 84 ships that MARAD had acquired over many years from the Navy. In addition, Scrap Ships have been removed from the Balance Sheet and are now classified as National Defense PP&E. Capital improvements reflect all costs on record, some dating to the late 1970's.

NONFEDERAL PHYSICAL PROPERTY
ANNUAL STEWARDSHIP INFORMATION, SEPTEMBER 30, 2001
TRANSPORTATION INVESTMENTS
(Dollars in Thousands)

Surface Transportation:	FY 1998	FY 1999	FY 2000	FY 2001
Federal Highway Administration				
Federal Aid Highways (HTF)	$19,967,116	$ 22,741,808	$ 24,920,221	$ 25,876,082
Other Highway Trust Fund Programs	119,276	124,705	42,269	85,807
General Fund Programs	173,230	90,587	151,011	144,159
Appalachian Development System	187,173	137,265	157,219	23,801
Federal Motor Carrier	0	0	91,822	125,261
Federal Transit Administration				
Discretionary Grants	$ 1,872,945	$ 1,523,668	$ 1,199,725	$ 721,774
Formula Grants	1,729,350	2,174,323	2,791,855	3,978,247
Capital Investment Grants	0	248,844	1,071,361	1,902,425
Washington Metro	183,626	161,834	108,518	115,856
Interstate Transfer Grants	2,693	10,602	836	2,716
Surface Transportation Nonfederal Physical Property Investments	$24,235,409	$ 27,213,636	$ 30,534,837	$ 32,976,128

Air Transportation:	FY 1998	FY 1999	FY 2000	FY 2001
Federal Aviation Administration				
Airport Improvement Program	$ 1,436,541	$ 1,612,867	$ 1,375,293	$ 2,178,576
Air Transportation Nonfederal Physical Property Investments	$ 1,436,541	$ 1,612,867	$ 1,375,293	$ 2,178,576
Total Nonfederal Physical Property Investments	$25,671,950	$ 28,826,503	$ 31,910,130	$ 35,154,704

The **Federal Highway Administration** reimburses States for construction costs on projects related to the Federal Highway System of roads. The main programs in which the States participate are the National Highway System, Interstate Systems, Surface Transportation Progam, and Congestion Mitigation/Air Quality Improvement. The States' contribution is ten percent for the Interstate System and twenty percent for most other programs.

The **Federal Transit Administration** provides grants to State and local transit authorities and agencies.

Discretionary grants provide capital assistance to finance acquisition, construction, reconstruction, and improvement of facilities and equipment. Discretionary grants fund the categories of new starts, fixed guideway modernization, and bus and bus-related activities.

Formula grants provide capital assistance to urban and nonurban areas and may be used for a wide variety of mass transit purposes, including planning, construction of facilities, and purchases of buses and railcars. Funding also includes providing transportation to meet the special needs of elderly individuals and individuals with disabilities.

Capital investment grants were created in the Transportation Equity Act for the 21st Century (TEA-21) to replace Discretionary grants. They continue to provide capital grants for new fixed guideway systems and extensions to existing fixed guideway systems (new starts), fixed guideway modernization, and bus and bus-related facilities.

Washington Metro provides funding to support the construction of the Washington Metrorail System.

Interstate Transfer Grants provided Federal funding from FY 1976 through FY 1995 to allow States and localities to fund transit capital projects substituted for previously withdrawn segments of the Interstate Highway System.

The **Federal Aviation Administration** (FAA) makes project grants for airport planning and development under the Airport Improvement Program (AIP) to maintain a safe and efficient nationwide system of public-use airports that meet both present and future needs of civil aeronautics. FAA works to improve the infrastructure of the nation's airports, in cooperation with airport authorities, local and State governments, and metropolitan planning authorities.

HUMAN CAPITAL INVESTMENT EXPENSES
ANNUAL STEWARDSHIP INFORMATION, SEPTEMBER 30, 2001
(Dollars in Thousands)

Surface Transportation:	FY 1998	FY 1999	FY 2000	FY 2001
Federal Highway Administration				
National Highway Institute Training	$ 2,716	$ 2,540	$ 7,304	$ 3,202
Federal Transit Administration				
National Transit Institute Training	3,116	3,600[1]	3,790	3,550[2]
Research and Special Programs Administration				
Hazardous Materials (Hazmat) Training	3,849	5,014	7,778	7,771
Surface Transportation Human Capital Investments	$ 9,681	$ 11,154	$ 18,872	$ 14,523

[1] Estimate based on enacted budget authority for FY 1997, FY 1998, and FY 1999.
[2] Estimate based on enacted budget authority for FY 1998, FY 1999, FY 2000, and FY 2001, outlayed based on approved outlay rates for the National Transit Institute (5%, 4%, 50%, and 5%).

Maritime Transportation:	FY 1998	FY 1999	FY 2000	FY 2001
Maritime Administration				
State Maritime Academies Training[3]	$ 7,900	$ 7,550	$ 7,773	$ 8,257
Additional Maritime Training	453	463	463	463
Maritime Transportation Human Capital Investments	$ 8,353	$ 8,013	$ 8,236	$ 8,720
Total Human Capital Investments	$ 18,034	$ 19,167	$ 27,108	$ 23,243

The National Highway Institute develops and conducts various training courses for all aspects of **Federal Highway Administration.** Students are typically from the State and local police, State highway departments, public safety and motor vehicle employees, and U.S. citizens and foreign nationals engaged in highway work of interest to the U.S. Types of courses given and developed are modern developments, technique, management, planning, environmental factors, engineering, safety, construction, and maintenance. There have been 875 courses given throughout the country in FY 2000.

The National Transit Institute of the **Federal Transit Administration** develops and offers training courses to improve transit planning and operations. Technology courses cover such topics as alternative fuels, turnkey project delivery systems, communications-based train controls, and integration of advanced technologies.

[3] Does not include funding for the Student Incentive Payment (SIP) Program which produces graduates who are obligated to serve in a reserve component of the United States armed forces.

The **Research and Special Programs Administration** administers Hazardous Material Training (Hazmat). The purpose of Hazmat Training is to train State and local emergency personnel on the handling of hazardous materials in the event of a hazardous material spill or storage problem.

The **Maritime Administration** (MARAD) provided direct payments of $200,000 each to the six State Maritime Academies which MARAD recognizes as regional maritime academies. MARAD also provides funding to the State Maritime Academies through maintenance and repair of a training vessel owned by MARAD and loaned to each of the five sea coast maritime academies for use in at-sea training and as shore-side laboratories. Additional maritime training funding provides firefighting training to over 1,900 maritime personnel each year at three locations throughout the country. In addition, MARAD's National Sealift Training Program provides instruction in defense communications, maritime security and sealift readiness to approximately 50 senior deck officers each year.

RESEARCH AND DEVELOPMENT INVESTMENTS
ANNUAL STEWARDSHIP INFORMATION, SEPTEMBER 30, 2001
(Dollars in Thousands)

Surface Transportation:	FY 1998	FY 1999	FY 2000	FY 2001
Federal Highway Administration				
Intelligent Transportation Systems	$ 189,612	$ 286,105	$ 144,734	$ 103,980
Other Applied Research and Development	123,739	137,588	132,634	118,425
Federal Transit Administration				
Applied Research and Development				
Transit Planning and Research	5,966	5,912	5,476	1,931
Transit University Transportation Centers	2,556	2,280	8,971	3,492
Research Training and Human Resources	24	0	0	0
Discretionary/Capital Investment Grants	48	48	24	0
Research and Special Programs Administration				
Applied Research and Development				
Research and Technology	$ 1,738	$ 2,540	$ 1,963	$ 3,318
Pipeline Safety	792	1,780	1,980	1,404
Hazardous Materials	313	758	1,326	1,366
Emergency Transportation	35	204	198	244
Surface Transportation Research and Development Investments	$ 324,823	$ 437,215	$ 297,306	$ 234,160

Air Transportation:	FY 1998	FY 1999	FY 2000	FY 2001
Federal Aviation Administration				
Research and Development Plant	$ 11,254	$ 14,290	$ 12,800	$ 46,988
Applied Research	103,274	118,834	99,777	120,395
Development	48,237	18,358	7,175	3,419
Administration	54,179	36,466	46,219	10,130
Air Transportation Research and Development Investments	$ 216,944	$ 187,948	$ 165,971	$ 180,932
Maritime Transportation:				
U.S. Coast Guard				
Applied Research, Development, Test and Evaluation:				
Marine Safety	$ 9,416	$ 10,069	$ 8,936	$ 8,860
Comprehensive Law Enforcement	4,228	4,521	4,013	3,978
Marine Environmental Protection	3,230	3,454	3,065	3,038
Waterways Management	2,701	2,889	2,563	2,545
Maritime Transportation Research and Development Investments	$ 19,575	$ 20,933	$ 18,577	$ 18,421
Total Research and Development Investments	$ 561,342	$ 646,096	$ 481,854	$ 433,513

The **Federal Highway Administration's** research and development programs are earmarks in the appropriations bills for the fiscal year. Typically these programs are related to safety, pavements, structures, and environment. Intelligent Transportation Systems was created to promote automated highways and vehicles to enhance the national highway system. The output is in accordance with the specifications within the appropriations act.

The **Federal Transit Administration** supports research and development in the following program areas:

Research and development in Transit Planning and Research supports two major areas: the National Research Program and the Transit Cooperative Research Program. The National Research Program funds the research and development of innovative transit technologies such as safety-enhancing commuter rail control systems, hybrid electric buses, and fuel cell and battery-powered propulsion systems. The Transit Cooperative Research Program focuses on issues significant to the transit industry with emphasis on local problem-solving research.

Transit University Transportation Centers, combined with funds from the Highway Trust Fund, provide continued support for research, education, and technology transfer.

Research and development activities were funded under the Research Training and Human Resources program until FY 1993. Since FY 1993, these activities have been funded under the Transit Planning and Research Program.

Discretionary Grants funded the National Research Program in FY 1992.

The **Research and Special Programs Administration** funds research and development activities for the following organizations and activities:

The Office of Pipeline Safety is involved in research and development in information systems, risk assessment, mapping, and non-destructive evaluation.

The Office of Hazardous Materials is involved in research, development, and analysis in regulation compliance, safety, and information systems.

The Office of Emergency Transportation is involved in research and development in mapping software for the Crisis Management Center, transportation policy, and outreach efforts.

The Office of Research and Technology is involved in research and development for the University of Technology and Education.

The **Federal Aviation Administration** (FAA) conducts research and provides the essential air traffic control infrastructure to meet increasing demands for higher levels of system safety, security, capacity, and efficiency. Research priorities include aircraft structures and materials; fire and cabin safety; crash injury-protection; explosive detection systems; improved in-flight icing and ground de-icing operations; better tools to predict and warn of weather hazards, turbulence and wake vortices; aviation medicine, and human factors.

The **U.S. Coast Guard** funds research, development, testing, and evaluation in the following program areas:

Marine Safety research supports the Coast Guard and Departmental goal of safety by eliminating deaths, injuries, and property damage associated with maritime transportation, fishing, and recreational boating. Two major initiatives show great potential to help reduce the number of accidents on U.S. waterways: the development of risk management analytical tools for marine inspection and regulatory missions, and the development of fatigue countermeasures that minimize human error and reduce crew fatigue. The first pinpoints root-cause safety problems from the galaxy of components that can malfunction on complex marine engineering systems. The second addresses the 80% of maritime mishaps in which human error was the direct cause or was a major contributing factor. Other Marine Safety research and development initiatives are focused on more traditional research areas such as: improving the Computer-Assisted Search Planning (CASP) system used in tactical search and rescue (SAR) operations by more accurately applying all information available on wind, currents, survivor characteristics (i.e., life raft or personal flotation device); reducing the threat of shipboard fires by testing and evaluating ship fire safety systems; improving the coordination of Coast Guard operations through the use of new communications systems; and encouraging state-of-the-art marine engineering design through membership in the Ship Structure Committee (SSC), an interagency consortium that coordinates research to enhance marine safety.

Comprehensive Law Enforcement research supports the Coast Guard's performance goal of maritime security and DOT's strategic goal of national security. These research projects evaluate detection capability improvements, including identifying new technology to counter threats to Coast Guard detection and search devices, resulting in increased probability of detecting illegal smuggling and immigration.

Marine Environmental Protection research supports the Coast Guard's performance goal of protection of natural resources and DOT's strategic goal of human and natural environment. Marine Environmental Protection R&D projects focus on pollution prevention and response improvements, including developing predictive models and automated tools to

improve spill response, and evaluating in-situ burning as a spill response tool. The Coast Guard R&D program supports pollution response strategies by improving the Coast Guard's ability to mobilize and respond to major oil and hazardous substance discharges, mitigating the effects on the environment from these pollutants, and improving cleanup capabilities. The Federal Oil Pollution Research and Technology Plan maps the coordination of activities among responsible Federal agencies and industry to upgrade spill response technology by developing, testing, and evaluating state-of-the-art training and command and control systems, equipment, and procedures.

Waterways management research supports the Coast Guard and Departmental mobility goal and the Departmental goal of economic growth and trade. Both of these goals rely on establishing an accessible, seamless, efficient, and flexible maritime transportation system. Coast Guard R&D is working to develop computerized tools to more effectively and efficiently manage their Aids to Navigation system.